

California Department of Corrections

Financial Information Memo

SUBJECT:	FIM NUMBER:
RECYCLING AND SALVAGE PROGRAM ACCOUNTING PROCEDURES	2004-05
REFERENCES:	DATE: May 4, 2004
Accounting Systems Bulletin 1991-10	

DISTRIBUTION

Wardens
Associate Wardens, Business Services
Associate Wardens, Central Services
Regional Accounting Office Administrators
RASP Operations Manager
Institutional RASP Officers

PURPOSE

The purpose of this procedure is to provide instructions and guidelines regarding accounting procedures for the Recycling and Salvage Accounting Program (RASP).

BACKGROUND

Chapter 1012 (SB 960) was approved October 14, 1991, and amended the Public Contract Code relating to solid waste: state paper recycling; mixed paper waste. The major change to the Public Contract Code that impacts the California Department of Corrections was the amendment of Section 12167 that reads as follows:

- Revenues received from this plan or any other activity involving the collection and sale recyclable materials in state and legislative offices located in state-owned and state-leased buildings, such as the sale of waste materials through recycling programs operated by the California Integrated Waste Management Board or in agreement with the board, shall be used to offset recycling program costs. Any remaining revenues not expended during a fiscal year shall be used to offset recycling program costs in the following year.

DISCUSSION

All monies from the RASP will be treated as abatements to the institution's operating costs. These abatements will show as a credit to expenditures incurred in operating the recycling program. To track the costs of the recycling program in CALSTARS, the Program Cost Account (PCA) that is used is **22055**. Costs that can be identified in operating the recycling program should be charged to this PCA (i.e., salaries, benefits, inmate pay, materials and supplies).

California Department of Corrections

Financial Information Memo

Recycling and Salvage Program Accounting Procedures

Page 2

Abatement receipts for recycling will also be posted to this PCA, and Agency Object Code **348.10** (Recycling and Salvage) to reflect the credit expenditure amount on the budget report.

Monies collected for the recycling program must be clearly identified to the accounting office to properly remit the abatements to the State Treasury. Recycling abatements must be identified by accounting as **OTHER ABATEMENTS** on the remittance advice to the State Treasury. Source Code **580990** will be used to record the abatement receipts in CALSTARS.

INSTITUTION - REQUIRED ACTION

The institution shall contact the Institution Contracts Section (ICS) when a need for recycling is determined and ICS will assist the institution in determining how to enter into a Standard Agreement with recycling and salvage vendors, if a contract can be executed. Prices paid to the State can be based on either a fixed rate for the entire term of the agreement, or fair market value at the time of pick up.

The RASP Manager involved in the recycling program such as transporting materials or having recycling materials picked up by vendors, shall complete a three part pre-press numbered "Pick Up Ticket" for all materials leaving the institution. All "Pick Up Tickets" shall be completed, signed and dated by the Institutions' RASP Manager and must include the following:

- Name and address of the appropriate Regional Accounting Office (RAO).
- Instructions to mail all remittance to the RAO
- Name of the Institution
- Name and address of the recycling vendor
- Type of commodity being recycled
- Estimated weight
- Estimated dollar amount
- Contract Number, if applicable
- Signature of vendor indicating receipt of product

The RASP Manager will provide a copy of the "Pick Up Ticket" to the vendor and immediately forward the original to their respective RAO. The RASP Manager is advised to retain a copy of all "Pick Up Tickets" forwarded to the RAO for comparison with the Weighmaster's Certificate submitted later by the vendor.

California Department of Corrections

Financial Information Memo

Recycling and Salvage Program Accounting Procedures

Page 3

Institution staff will not be involved in the collection of recycling monies. Staff shall not accept cash (currency) from any salvage company. All checks issued for recycling must be addressed and mailed to the appropriate RAO directly from the vendor.

VENDOR – REQUIRED ACTION

The vendor is responsible for obtaining a Weighmaster's Certificate for the recycled product immediately after leaving the institution. The certificate, along with a remittance check, must be mailed to the appropriate RAO for audit within ten (10) business days.

REGIONAL ACCOUNTING OFFICE - REQUIRED ACTION

The institution will send all Pick Up Tickets to the RAO. The RAO will establish and maintain a file for each recycling vendor, which must contain a copy of the Standard Agreement (if a contract was executed). Each file will also contain a Recycling Materials Tracking Log (Attachment A). As Pick Up Tickets come in from the institution, they will be logged into the appropriate Recycling Materials Tracking Log. Additionally, each Pick Up Ticket received by the RAO will be tracked on the Pick Up Ticket Tracking Log (Attachment B) to ensure that the pre-pressed numbers issued to each institution are accounted for and controlled.

During the month, as payments are received, the payments will be logged into the Recycling Materials Tracking Log. The Accounts Receivable Unit will reconcile the tickets in conjunction with the payments received from the recycling vendor to verify any discrepancies. The Institution's recycling staff shall be notified of any discrepancies. Upon receipt, the RAO will forward a copy of the vendor's check and copy of the Weighmaster's Certificate to the Institution's RASP Manager. The RASP Monthly Accounting Activity Report must be prepared by the Institution and submitted no later than the 25th of the following month to the Work Incentive Structured Prison Environment Unit.

On a monthly basis, the Accounts Receivable Unit will review all recycling files for any outstanding pick up tickets that are still pending payment from the recycling vendors. When the outstanding payments have been identified, the information will be forwarded to the RAO Liaison. The Liaison will create an accounts receivable invoice, billing the recycling vendor for any outstanding pick up tickets for which payment has not been received. The accounts receivable invoice will be entered into CALSTARS and mailed to the recycling vendor.

California Department of Corrections

Financial Information Memo

Recycling and Salvage Program Accounting Procedures
Page 4

On a monthly basis, the Accounts Receivable or Liaison Unit will review the CALSTARS D04 (Receivable Status Report) and will follow up on any outstanding account receivable over thirty (30) days.

If you have any questions, please contact your assigned RAO.

ORIGINAL SIGNED BY:

WENDY STILL
Deputy Director
Financial Services Division

Attachments

cc: Accounting Policy and Procedures Section
Accounting Management Branch

California Department of Corrections Financial Information Memo

RECYCLING MATERIALS TRACKING LOG

Attachment A

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